PwC Vietnam Newsbrief

Circular 95/2026/TT-BTC on the application of the Advance Pricing Agreement framework

July 2026

At a glance

On 1 July 2026, the Ministry of Finance issued Circular 95/2026/TT-BTC ("Circular 95"), providing updated guidance on the application of Vietnam's Double Tax Treaties, Mutual Agreement Procedures ("MAP") and Advance Pricing Agreements ("APAs"). Circular 95 took effect on 1 July 2026. This Circular replaces Circular 205/2013/TT-BTC on the implementation of tax treaties and Circular 45/2021/TT-BTC on APA.

APA applications submitted before the effective date of this Circular but not yet concluded will be processed under the new Law on Tax Administration and Circular 95.

This NewsBrief is solely focused on highlighting key APA-related changes and enhancements under Circular 95, as well as areas requiring further consideration.

Key changes

Circular 95 largely preserves the fundamental APA framework set out in Circular 45/2021. Key elements retained include the scope of eligible taxpayers and covered transactions, the three types of APA (unilateral, bilateral, and multilateral), the arm's length principle, the maximum three-year APA validity period, the optional pre-filing consultation process, and the language requirements for APA applications.

At the same time, Circular 95 introduces a number of practical enhancements to the APA regime, as highlighted below.

Key enhancements under Circular 95

1. **Delegation of APA authority** – APA administration has shifted from a centralized Ministry of Finance approval model to a more decentralized framework led by the Tax Department, helping streamline APA reviews and reduce approval timelines. The Ministry of Finance will still be consulted on APAs in some circumstances.

2. **Greater flexibility for unilateral APAs** – The Tax Department may assign relevant tax units to process unilateral APA applications. By assigning unilateral APA applications directly to specific tax units, the Tax Department creates a much more efficient administrative framework. Shifting to this localized oversight removes multiple layers of bureaucratic approval, which significantly accelerates processing times and cuts through red tape for businesses.

3. **Longer proposed APA coverage period** –Taxpayers can now propose APA coverage for up to five consecutive tax years, though the executed agreement remains valid for a maximum of three years. This setup ensures that lengthy negotiations do not shrink the APA's active lifespan. By applying for five years of total coverage, businesses can secure an initial two-year window to finalize negotiations, ensuring a full, uninterrupted three-year period of tax certainty once signed under ideal circumstances. However, there is no guarantee that the tax authorities will process and complete the APA application within the initial two-year window.

4. **Electronic filing as the default submission method** – APA applications and supporting documents are required to be submitted electronically, streamlining the filing process and reducing administrative burden. Paper submission is permitted only in limited cases, such as where documents are large or cannot be accommodated by the electronic system.

5. **Reduced translation burden** – For large supporting documents, taxpayers may submit summaries and explanations instead of full translations, significantly reducing compliance costs.

6. **Annual APA compliance reporting** – Taxpayers are required to submit annual APA compliance reports, including transaction results, financial information and compliance with critical assumptions, allowing the tax authorities to monitor the implementation of the APA.

7. **Confidentiality protection of APA information –** Information provided by taxpayers for APA purposes is only used by the tax authorities to administer and monitor the APA and cannot be used directly for tax audit or tax assessment purposes, except where the information is publicly available or has been independently obtained.

Way forward

Although Circular 95 largely retains the current APA framework, it provides a number of procedural clarifications and practical enhancements that may have implications for taxpayers. Key considerations are highlighted below.

- **Manage APA timing** – Taxpayers may propose APA coverage for up to 5 years, but a concluded APA remains valid for a maximum of 3 years.
- **Prepare annual APA compliance reports –** Annual APA compliance reporting remains mandatory following the conclusion of an APA. Although Circular 95 does not prescribe a specific reporting form, taxpayers should continue to maintain sufficient documentation to demonstrate compliance with the APA terms and critical assumptions.
- **Review pending APA applications** – APA applications submitted before 1 July 2026 and not yet concluded will be processed under Circular 95 and the 2025 Law on Tax Administration.

Contact us

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